

Public Utilities Department

Fiscal Year 2017 Proposed Budget

May 5, 2016

City Council Budget Review Committee Hearing

budget.sandiego.gov



FY 2017 Budget Highlights

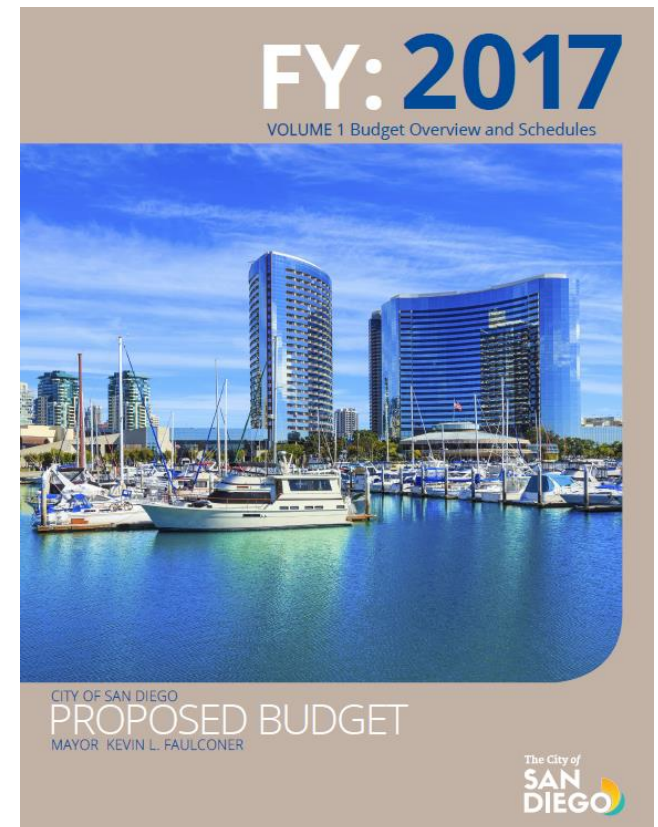
Efficiency in Operations

- ❖ No new positions for Water or Wastewater Funds

FY 2016 total FTE of 1,653.40

FY 2017 total FTE of 1,644.70

- ❖ Overall budget reduction of \$14.2 million for Water and Wastewater Funds
- ❖ State Revolving Fund loans and Wastewater / Water refunding opportunities in FY 2016
- ❖ Other innovative ways to save ratepayer funds such as energy co-generation of 24.3 megawatts (additional solar projects for 1.1 additional megawatts)





FY 2017 Budget Highlights

❖ **Pure Water San Diego**

- Funding to advance phase one pre-design for 30 MGD by 2021
- 2016 Global Water Award winner for water reuse project of the year

❖ **Continued priority of investment in infrastructure**

- 35 miles for water mains / 45 miles for wastewater
- Continuing condition assessments for water and wastewater funds
- I AM San Diego

❖ **Regulatory and legislative engagement on State and federal levels**

❖ **Messaging conservation and measuring use for City of San Diego 8% reduction mandate through October 2016**

❖ **Protection of ocean environment through robust monitoring program**



GENERAL FUND EXPENDITURES SUMMARY

General Fund – Lakes Program	FY 2016 Adopted		FY 2017 Proposed		Change from FY 2016 Adopted to FY 2017 Proposed	
	FTE	Budget	FTE	Budget	FTE	Budget
Public Utilities	0.00	-	0.00	\$2,577,246	0.00	\$2,577,246
Water	0.00	\$2,549,736	0.00	-	0.00	(2,549,736)
TOTAL	0.00	\$2,549,736	0.00	\$2,577,246	0.00	\$27,510

Footnote: Department restructured to better align the financial structure with the department's operations.



NON-GENERAL FUNDS EXPENDITURES SUMMARY

Public Utilities ¹	FY 2016 Adopted		FY 2017 Proposed		Change from FY 2016 Adopted to FY 2017 Proposed	
	FTE	Budget	FTE	Budget	FTE	Budget
Metropolitan Sewer Utility Fund	462.21	\$222,230,642	462.20	\$221,733,360	(0.01)	(\$497,282)
Municipal Sewer Revenue Fund	409.32	145,718,597	400.71	135,535,866	(8.61)	(10,182,731)
Water Utility Operating Fund	781.83	506,485,810	781.83	502,988,683	0.00	(3,497,127)
TOTAL	1,653.36	\$874,435,049	1,644.74	\$860,257,909	(8.62)	(\$14,177,140)

¹Net budget decrease is primarily due to removal of one-time expenditures added in Fiscal Year 2016.



GENERAL FUND

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
San Dieguito Joint Powers Authority: Addition of non-personnel expenditures for the annual Joint Powers Authority (JPA) member agency contribution.	0.00	\$14,728	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



WASTEWATER FUNDS (METRO & MUNI)

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Wastewater Treatment and Disposal: Addition of non-personnel expenditures for repairs to wastewater treatment and disposal facilities.	0.00	\$5,125,442	-
Pure Water Program: Addition of non-personnel expenditures for consulting services for the Pure Water Program.	0.00	3,843,445	-
Laboratory Supplies and Equipment: Addition of non-personnel expenditures for laboratory supplies, equipment, and facility improvements.	0.00	1,182,260	-
Marine Biology and Ocean Operations: Addition of non-personnel expenditures for consulting services associated with marine biology and ocean operations.	0.00	996,000	-
Wastewater Planning: Addition of non-personnel expenditures for condition assessments associated with sewer main and manhole access planning.	0.00	500,000	-
Advanced Metering Infrastructure (AMI) Project: Reduction of non-personnel expenditures associated with the AMI project.	0.00	(6,296,389)	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



WATER UTILITY OPERATING FUND

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Pure Water Program: Addition of non-personnel expenditures for consulting services for the Pure Water program.	0.00	\$4,704,979	-
Water Planning: Addition of non-personnel expenditures for condition assessments associated with high priority water transmission pipelines and upgrades for the City's water distribution system.	0.00	4,458,000	-
Vehicle Rental: Addition of non-personnel expenditures for the replacement of equipment and rental vehicles.	0.00	2,600,000	-
Sweetwater Settlement: Adjustment to non-personnel expenditures to reflect anticipated expenditure obligations for the Sweetwater Negotiated Settlement.	0.00	(5,000,000)	-
Advanced Metering Infrastructure (AMI) Project: Reduction of non-personnel expenditures associated with the AMI project.	0.00	(6,277,589)	-
Water Purchases: Reduction of non-personnel expenditures for water purchases as a result of water conservation efforts.	0.00	(9,192,827)	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



WATER UTILITY OPERATING FUND (continued)

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments (continued)	FTE	Expenditures	Revenue
Revised Revenue: Adjustment primarily due to increased State Revolving Fund loan proceed projections; also includes revenue adjustments due to revised potable and reclaimed water rates..	0.00	-	\$92,680,900

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed